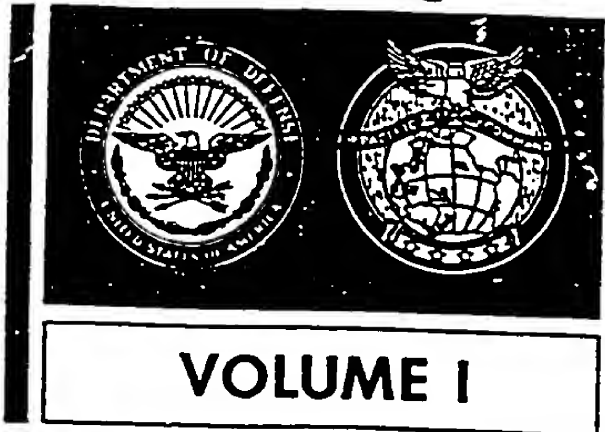


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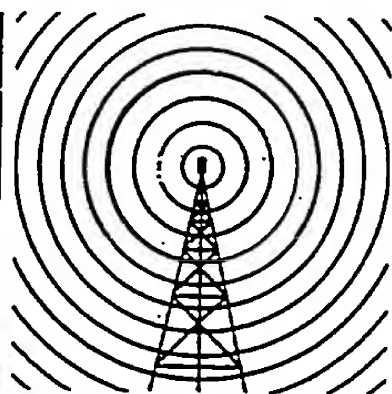
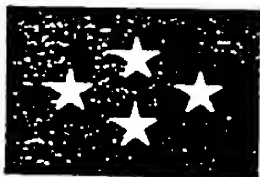
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CINCPAC COMMAND HISTORY

1970

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COMMANDER IN CHIEF PACIFIC COMMAND HISTORY



VOLUME I

1970

Prepared by the Historical Branch
Office of the Joint Secretary
Headquarters CINCPAC, FPO San Francisco 96610

CAMP H. M. SMITH, HAWAII

1971

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to be reduced for FY 72 to seven military and 11 local nationals. This structure was approved by the JCS on 21 August 1970. Final action on the organization and TOR of the reduced aid unit was pending at the end of 1970.¹

China

(S) As discussed previously in this chapter, the programmed MAP funds for aid to the Republic of China (ROC) were drastically reduced by the program realignment for Cambodia and Indonesia. Not only were funds reduced by about 65 percent for FY 71, but the MAAG manpower authorizations were also reduced by about 25 percent. These cutbacks were rendered more serious because the programmed fund levels for previous years had not been funded by SECDEF.²

Impact of FY 71 Program Reduction

(S) The originally programmed FY 71 funds for China MAP had been about \$20 million. The reduction of \$13.7 million ordered by SECDEF in July 1970 allowed \$1.9 million for training and \$4.4 million for supply and operations expenditures. No money was authorized to be spent for materiel or training grant aid. CINCPAC provided a resume of the impact on China MAP of the revised FY 71 levels in August 1970. He noted that the funds had been mainly programmed for the procurement of missile, aircraft, ship, and communications spare parts. If these items were not supplied, the Chinese air defense units would be inoperable because aircraft would be grounded; aircraft control and warning (AC&W) systems would be degraded; ships would be limited in operation or dry docked; and, anti-aircraft batteries would be inoperable. CINCPAC stated that the deletion of grant aid for O&M would have an adverse affect on ROC planning for future force structure and organization; worse, ROC confidence in the reliability and credibility of U.S. planning guidance would be shaken. CINCPAC concluded his assessment by recommending that Foreign Military Sales (FMS) credit for both FY 70 and FY 71 be raised from \$40 million to \$50 million in order to absorb the impact of the MAP reduction.³

(S) The FMS program was closely integrated with the grant aid program; with the reduction in MAP funds, FMS became even more significant to the ROC. Cash

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1. Ltr, Ser 002196, CINCPAC to JCS, 21 Jul 70, Subj: Revised 1 July 1970 Joint Manpower Program for U.S. Military Equipment Delivery Team, Burma; JCS 8081/212056Z Aug 70; J132 History, Hq CINCPAC, Aug 70.
 2. CINCPAC Command History 1969, Vol. II, pp. 8, 100; ADMIN CINCPAC 140107Z Mar 70; J132 History, Hq CINCPAC, Mar 70; JCS 8997/152007Z May 70; J1312 History, Hq CINCPAC, May 70; SECDEF 5825/250013Z Jul 70; J5311 History, Hq CINCPAC, Jul 70.
 3. CINCPAC 070241Z Aug 70.

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sales and commercial arrangements for FY 70 FMS had been projected at \$24 million. Planned FMS credit levels had been set at \$40 million. The items programmed for acquisition by MAAG, China had been arranged in two \$20 million increments, based upon relative priorities:¹

First Increment (\$20.12 million)

Armored Personnel Carrier (50)	2.35
Howitzer, SP, 105mm (36)	1.70
Rocket, M-72, LAW (2,500)	.13
Tactical Communications, CA	2.00
Night Observation Device	.27
NIKE/HERCULES Support Equip.	1.50
M-16 Rifles (5,000)	1.00
Howitzer, Towed, 155mm (24)	.84
Communications & ASW Modernization	3.06
MK-44-1 Torpedo	.50
F-104 Flight Simulator	1.50
Radio, SSB (6,185)	.02
Training Equipment, ECM	.41
Support Items, CAF	1.40
Tactical Communications, CMC	.40
Special Tools & PME, CMC	.10
Foundry	2.00
Production & Test Equipment, CAF	.76
Misc Equipment	.08

Second Increment (\$20.00 million)

Phase II Helo Coproduction	9.00
Phase IV Vehicle Coproduction	5.00
Tropo Scatter	1.00
Acquisition/Modn of Additional Ships	1.00
Armored Personnel Carriers (25)	1.20
RF-104G Camera Modification	2.80

(S) The above program was approved by SECDEF in January 1970. In February 1970, MAAG China revised the list, deleting the RF-104G camera modification, but adding ground support equipment for UH-1H helicopters. An additional 25 armored personnel carriers (APC), making a total of 100 APCs, were listed. The RF-104G

1. Point Paper, J5332, Hq CINCPAC, 19 Jan 70, Subj: FY 70 Foreign Military Sales (FMS) for China.

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camera modification had been deleted. This revision, which had been coordinated with the Country Team and the Chinese Ministry of National Defense (MND), was forwarded to SECDEF with the concurrence of CINCPAC. In April, however, the Chief, MAAG China (CHMAAG) was requested in a joint State/Defense query to explain his rationale for the revised list:¹

.....

6. In terms of ROC military assistance priorities, we are not clear why RF-104G camera modification (dols 2.8 million) was deleted...and additional 25 APC 113A1 (dols 1.21 million) and UH1H ground support equipment (dols 1.8 million) were added. Air defense has been assigned first priority in our military assistance program for ROC. Gradual improvement of CHICOM air capabilities further points up deficiencies in GRC air defense and we are taking steps to correct some of these deficiencies. GRC, particularly at top level, has professed to be considerably more concerned than we have been on this score. CAF reconnaissance capability would seem a focal concern in GRC air defense, and in addition is important to our own intelligence collection. CAF reconnaissance obviously would be vital to our joint ability to detect CHICOM buildup for action against offshores or Taiwan and Pescadores. Presumably with these requirements in mind, FY 70-75 MAM I made strong case for RF-104G camera modification. Noting that RF-104Gs present cameras were designed primarily for low altitudes, MAM I states that they are "inadequate for high or medium altitude target coverage.... This system also has only limited coverage (2.75 miles at 45,000 feet) and is completely unsuitable for work above 45,000 feet.

7. Over and against this, we would question priority need for additional 25 APCs and helicopter ground support equipment. We assume that additional APCs are to replace M-2 half-tracks and M-3 scout cars in third battalion of second armored division, which in terms of our military assistance priorities is not MAP-supported. In addition, even without additional 25 APCs and helicopter ground support equipment Chinese Army will receive half of FY 70 FMS credit sales package, with approximately three-fourths of this army portion going for improved mobility. Therefore, we wonder if acquisition of

1. SECDEF 893C/281814Z Jan 70; CHMAAG Taipei, Taiwan MGPR-S, 130804Z Feb 70; CINCPAC 170325Z Feb 70; J533 History, Hq CINCPAC, Apr 70; SECSTATE 056070/1/152318Z Apr 70.

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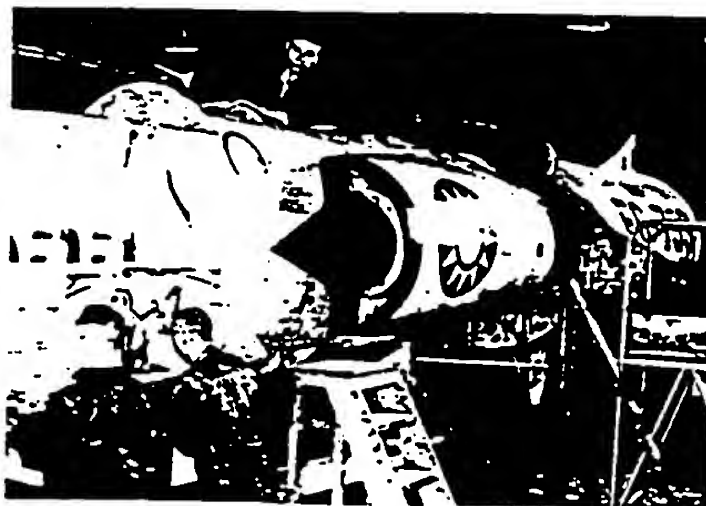
additional 25 APCs cannot be deferred or financed through cash purchases. As regards helicopter ground support equipment, in addition to question of relative priorities, we had not previously considered use of FMS credits for non-production aspects of helicopter co-production project. To facilitate our consideration of this question, we would appreciate your estimate as to what other associated ground equipment costs for operation and maintenance of co-produced helicopters are planned by GRC....

(S) Replying to the foregoing State/Defense comments, CHMAAG China noted that the JCS had disapproved the use of MAP funds to purchase and install the RF-104G camera modification. However, no objection had been raised to the



The IRAN (Inspect and Repair as Needed) Facility for the Chinese Air Force was located at Ping Tung, Taiwan. Left, a CAF F-5 awaits IRAN. Below, F-104 structural repair.

PEG CINCPAC Photos



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modification if the ROC elected to use its own resources, including FMS credit. China had refused to use FMS credits to finance the camera modification in the belief that:¹

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...the U.S. will provide this item even though MAAG has informed them that it will not be provided from MAP or the USAF. The Country Team recognizes that air defense has been assigned first priority in MAP for GRC and has attempted to persuade the GRC to purchase the RF-104G camera mod, but at this point in time, to no avail....

.....
Use of FMS credit for non-production aspects of helicopter co-production is considered appropriate. As you are aware, GRC attaches highest priority to attaining helicopters through co-production project to improve ground force mobility. The essential ground support equipment, such as special tools and equipment, has been accorded the same high priority. GRC is aware of the \$20.6 million credit limit on the co-production agreement, but is not aware of any restriction which would preclude use of credit for ground support equipment....

(S) CHMAAG went on to explain that the additional APCs were needed to continue the modernization of Chinese Army units and increase their mobility. They were included in the FY 70-72 period as high priority items, "...prior to planning procurement of follow-on aircraft.... Once available, purchase of such aircraft will consume virtually all investment funds...."²

(S) On 25 June 1970, joint State/Defense approval was received for an FMS credit of \$1.8 million to be applied toward helicopter ground support equipment. However, CHMAAG's request for an additional \$10 million FMS credit, made after the MAP reduction, was disapproved by SECDEF on 3 September. One week later, on 10 September 1970, State/Defense authorization was received to apply \$10 million of the originally programmed \$40 million toward the purchase of O&M supplies.³

1. CHMAAG Taipei Taiwan MGPR-S 281014Z Apr 70.

2. Ibid.

3. SECSTATE 101167/252218Z Jun 70; J5322 History, Hq CINCPAC, Jun 70; SECDEF 9153/032148Z Sep 70; CHMAAG Taipei Taiwan MGPR-S 021014Z Sep 70; SECSTATE 147755/100106Z Sep 70; J5322 History, Hq CINCPAC, Sep 70.

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(S) By the end of October, ROC officials, including the President, had voiced grave concern that the FY 71 MAP reduction signalled a change in U.S. policy. Adjustments in the ROC armed forces program had been delayed in the hope that the MAP cut would be reconsidered by the U.S. Government. A resume of the status of individual service programs in the ROC armed forces was provided by CINCPAC on 29 October 1970:¹

Chinese Army (CA)

In FY 71, MAP O&M funds allocated to the CA will go to missile support in keeping with MAM-established priorities for air defense.

CA MAP shortfall as related to MAP objectives is unacceptable. In shortfall are helicopters, armored personnel carriers, reconnaissance vehicles, M-41 tanks, 155mm howitzers, small arms modernization, and a second HAWK battalion.

Chinese Air Force (CAF)

Although air defense is the number one priority for MAP support, the ROC must provide more than 57 percent of the CAF's total requirements.

CAF MAP shortfall as related to MAP objectives is unacceptable. The CAF requires War Reserve Munitions, an upgraded AC&W system, as well as updated follow-on fighter and reconnaissance aircraft.

Chinese Navy (CN)

MAP provides less than twenty percent of the CN's total requirement although the CN has second priority for MAP support.

The CN shortfall as related to MAP objectives is acceptable but it lacks modern equipment such as target designation systems, automatic tracking, fire control radars and sonars, and communications.

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1. Point Paper, J5332, Hq CINCPAC, 29 Oct 70, Subj: FY 71 China MAP; Point Paper, J5332, Hq CINCPAC, 29 Oct 70, Subj: FY 71-76 China MAP.

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Chinese Marine Corps (CMC)

The lack of MAP investment funds through FY75 precludes the modernization required for the CMC to sustain itself in combat operations.

The CMC shortfall as related to MAP objectives is unacceptable. The CMC requires modern small arms, 8" howitzers, LVTP-7's, helicopters, vehicles, WRM and communications equipment.

(S) Dollar level guidance for MAP/FMS in FY 72 was received from SECDEF on 26 October 1970. The MAP total was \$25 million, of which \$9.05 million was for supply operations. FMS credit sales were pegged at \$40 million, and \$130 million was projected for the procurement of LS&E items from MAPEX, MIMEX, and SIMEX.¹

(S) In answer to SECDEF's request for FY 72 programming data, CINCPAC furnished the CHMAAG China schedule of expenditures for MAP and FMS, but stipulated that the dollar levels were, "...not adequate to support the country program's objectives or the intent of the Nixon Doctrine...."²

(S) On 10 December 1970, SECDEF requested that revised program listings be submitted on the premise that a supplemental appropriation for FY 71 would restore the originally programmed MAP funds. On this basis, as of 31 December 1970, the allocation of \$20 million for MAP FY 71 expenditures was distributed as follows:³

MAAG Support & Training	\$1.4 million
O&M	3.2 "
Supply Operations	6.1 "
Investment	9.3 "

History of Excess Materiel Supplied to China

(C) Since the inception of the excess distribution program in December 1968, China had received excess U.S. materiel with an acquisition value of more than \$172 million. As of November 1970, this equated to about 65 percent of the total dollar value of excess materiel transferred to PACOM MAP/MASF countries.

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1. Ibid.
 2. CHMAAG Taipei Taiwan MGPR-P 101020Z Nov 70; CINCPAC 152321Z Nov 70.
 3. SECDEF 7763/102332Z Dec 70; CINCPAC 310441Z Dec 70; J5332 History, Hq CINCPAC, Dec 70.

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With figures accumulated through 21 October 1970, the releases (in millions) were:

	<u>FY 69</u>	<u>FY 70</u>	<u>FY 71</u>
MAPEX	\$15.0	\$ 16.6	\$ 4.9
MIMEX	--	121.5	11.0
SIMEX	--	<u>3.4</u>	<u>(no data)</u>
Total	\$15.0	\$141.5	\$15.9

The \$36.5 million of MAPEX materiel consisted of tactical and administrative vehicles, construction equipment, and repair parts. Through MIMEX, items allocated included aircraft, tactical and administrative vehicles, munitions, missile support equipment, and other miscellaneous major items. Secondary items through SIMEX included automotive, communications, construction, and missile repair parts.¹

ROC Armed Forces Reorganization

(S) In mid-1968, the ROC requested assistance in planning an armed forces reorganization. The plan, prepared by a team from the Office of the Assistant SECDEF for International Security Affairs, was reviewed by the JCS and CINCPAC. Major reservations were expressed regarding certain basic assumptions in the plan; i.e., assessments of CHICOM/ROC attitudes, possible confrontation scenarios, and the position of Taiwan in relation to overall U.S. strategy. Nevertheless, the use of the plan was authorized as a source for background discussion with the ROC regarding force organization.²

(S) The ensuing reductions in MAP funds during 1969 and 1970 prompted Vice Premier Chiang Ching-kuo to request a special team of experts from the U.S. to work with the MND on a five year study plan for ROC armed forces requirements. On 28 August 1970, Chiang indicated to the U.S. Ambassador his concern about the MAP reductions in the light of possible political repercussions. He stressed that the programmed reductions could damage relations between the U.S. and the ROC, and that modernization of the Chinese Armed Forces was imperative and would be expensive. He emphasized that he desired to proceed with a five year forces study despite reductions of MAP grant aid. The Ambassador agreed with the principle of a study, but believed that U.S. military advisors in Taiwan might

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1. Point Paper, J4314, Hq CINCPAC, 27 Oct 70, Subj: Acquisition of Excess Materiel by the Republic of China MAP.
 2. J5151 History, Hq CINCPAC, Oct 70. See also CINCPAC Command History 1968, Vol. II, pp. 122-152 and CINCPAC Command History 1969, Vol. II, pp. 81-113.

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provide more competent consultative advice than experts from Washington. He suggested a team from the MAAG, augmented by advisors from CINCPAC, instead.¹

(S) CINCPAC agreed that the FY 71 MAP reduction would have a detrimental impact on force planning for the ROC. He also agreed that existing in-country resources, such as COMUSTDC, MAAG, and the Embassy were capable of providing competent advice to the ROC. CINCPAC did not agree with the suggestion that advisors from his staff be included.²

.....
...it would be a departure from the US role of advisor and consultant to that of participatory involvement in GRC planning. The introduction, at this time, of outside elements to provide such assistance might also: (a) impair the future effectiveness and weaken the credibility of existing in-country arrangements and, (b) be construed by the GRC as a commitment on the part of the US....

(S) On 12 September 1970, SECSTATE supported the CINCPAC position by stating that, "...U.S. advisors already stationed on Taiwan are probably in better position to provide consultative advice than outside specialists...."³

(S) Considerable progress had been made by the end of 1970 toward reorganization of the Chinese Army, mainly on the initiative of the ROC. Chinese Army personnel had been reduced by 40,000 as a result of unit modernization and reorganization. Many ineffective personnel were eliminated, the Army organizational structure was streamlined, and a more realistic ratio between officers and enlisted men was attained.⁴

ROC Air Defense/Air Traffic Control

(S) The capability of the Chinese Air Force (CAF) in air defense was dependent upon the kinds of aircraft possessed, combined with the AC&W and air traffic control (ATC) facilities available. Linked to these resources were the missile/anti-aircraft batteries of the Chinese Army. In addition, the ATC facilities on Taiwan had a direct influence on the military operations of the USAF in connection with the war in Southeast Asia. Thus, the prospect of a possible degradation of ATC capability was of immediate concern to the USAF as well as the long-range concern of the ROC. On 23 January 1970, CHMAAG China requested CINCPAC's

1. AMEMB Taipei, 3757/311005Z Aug 70.

2. CINCPAC 052157Z Sep 70.

3. SECSTATE 149827/1/120236Z Sep 70; J5151 History, Hq CINCPAC, Oct 70.

4. Op. Cit., JMA, Hq USAF, No. 115, p. 109.

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support for the continuation and augmentation of the Federal Aviation Specialist Group (FASG) which had been providing technical assistance to the ROC under a joint USAF/Federal Aviation Agency agreement. By message on 11 February, CHMAAG China asked for the continuance of CINCPAC's support to obtain USAF funding of the FASG during FY 71:¹

.....

2. (C) The retention and augmentation of the existing FASG advisory team is considered absolutely essential to assist CCAA in improving air traffic control. Extremely limited MAP funds projected for FY 71 preclude funding of this team from MAP resources. Since the USAF is the principle benefactor [sic] of the services provided, the technical assistance required should be USAF funded....

(S) On 16 February, CHMAAG informed CINCPAC that, although the FASG had originally been MAP funded, "...austere MAP program for FY 71 eliminates the use of MAP funds for FASG beginning FY 71 under current program level." The U.S. Embassy, COMUSTDC, and CINCPACAF all supported the recommendation that the FASG be Service funded for FY 71. On 2 March, CINCPAC recommended to the JCS that the FASG be continued and that it be Service funded by the USAF.²

(S) The JCS did not concur with the foregoing recommendations. On 4 April 1970, the decision was passed to CINCPAC:³

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2. (S) Continuation of the FASG, augmented with 3 specialists, through FY 71 is approved. Service funding of FASG, however, is not considered appropriate because ROC military, civil, and international air traffic benefit primarily from an improved Taipei flight information region. In this regard, a recent reevaluation of air traffic count by Taipei Center and FASG reveals that, over a 5-month period, U.S. military and military contract flights comprised an average of 42.6 percent of the total IFR-controlled air traffic. While this rate of

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1. CHMAAG MGPR 11J303Z Feb 70; J533 History, Hq CINCPAC, Feb 70.
 2. CHMAAG China MGPR 160502Z Feb 70; CINCPACAF DOCO 200238Z Feb 70; COMUSTDC 250131Z Feb 70; J5332 History, Hq CINCPAC, Mar 70, citing CINCPAC 1st End, 2 Mar 70, to Ltr, Hq MAAG, 23 Jan 70.
 3. JCS 5143/041801Z Apr 70; Brief No. 76-70, J5, Hq CINCPAC, 20 Apr 70, Subj: Technical Assistance and Advice for Modernization of the Air Defense and Air Traffic Control in the Republic of China.

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utilization by U.S. aircraft is significant, it should decrease as U.S. forces are withdrawn from SEASIA.

3. (S) Air Force has taken action to extend MAP funding of FASG through the 4th quarter of FY 70. Request appropriate reprogramming action be taken to fund the augmented FASG for FY 71 under MAP. In addition, if further extension of FASG is anticipated, suggest it be planned as a Foreign Military Sales case.

(S) CHMAAG took exception to the JCS decision, holding that at least 42 percent of the total cost of the FASG should be borne by the USAF in proportion to its benefit from the facilities. CHMAAG, therefore, recommended that CINCPAC request the JCS to reconsider, which was done on 22 April 1970.¹

(S) On 28 May 1970, the JCS reaffirmed the decision that the FASG not be Service funded. The judgment that the FASG should be either MAP funded or FMS funded was reiterated, and to the suggestion that a pro-rata share of the cost be assumed by the USAF, "...the Department of Defense has determined that there is no legal authority for service funding military assistance to the Republic of China...."²

(S) As previously stated, the numbers and kinds of aircraft possessed by the CAF governed the efficiency and credibility of the air defense environment of Taiwan. Prior editions of the CINCPAC Command History have discussed the inputs under MAP to the CAF inventory of aircraft. In December 1969, the ROC accepted an offer of 20 F-104As and two F-104Bs at no cost to MAP except for packing, crating, handling, and transportation (PCH&T) charges. Authority to deliver the 22 aircraft was issued by the USAF Logistics Command on 3 April 1970. The directive authorized aerospace ground equipment (AGE), spare engines with afterburners, and spare parts. Eight F-104As were delivered in September, and the remaining 12 F-104As arrived in Taiwan in October 1970. These F-104s were equipped with a more advanced J-79 engine than that of previous F-104s provided to the CAF.³

(S) The assignment of the newly arrived F-104s to a squadron which had been flying F-86Fs enabled the MAAG to declare 30 F-86s excess to CAF requirements. The excess F-86s had undergone a wing modification which made it likely that they could be used by another MAP-supported country with unmodified F-86s. The Joint

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1. CHMAAG China MGPR 171001Z Apr 70; CINCPAC 222034Z Apr 70.
 2. JCS 1176/282239Z May 70; J5332 History, Hq CINCPAC, May 70.
 3. J4316 History, Hq CINCPAC, Apr 70; AFLC Directive 670-TW-015, 3 Apr 70; Op. Cit., JMA, Hq USAF, No. 115, pp. 109, 110.

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PEG CINCPAC Photo

The 523d Engineering Battalion of the Chinese Army works on missile site construction at Nan Ping, Taiwan.

U.S. Military Assistance Advisory Group, Philippines (JUSMAGPHIL), upon learning that the CAF aircraft were in reasonably good condition, suggested that 17 unmodified Philippine Air Force (PAF) F-86s be replaced with CAF excesses. CINCPAC concurred in the proposal, as did CHMAAG, China, and 17 F-86s were transferred to the Philippine MAP. The remaining excess F-86s would be salvaged in Taiwan for spare parts if no other MAP recipient indicated a need for them.¹

(S) C-119G deliveries to China began during the last CY quarter of 1969. The original program had specified that 37 aircraft would be furnished under the MIMEX redistribution program. On 30 December 1969, two more C-119Gs were added; the total of 39 aircraft had been delivered in Taiwan by the end of March 1970. Ten additional C-119Gs had been programmed at no cost to MAP (except PCH&T) from USAF excesses in CONUS. Delivery was scheduled to be completed by mid-January 1971.²

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1. CINCPAC 102058Z Apr 70; Op. Cit., JMA, Hq USAF, No. 115, p. 110
 2. CINCPAC Command History 1969, Vol. II, p. 100; CSAF 242305Z Feb 70; J4316 History. Ho CINCPAC. Feb 70: Op. Cit., JMA, Hq USAF, No. 115, p. 109.

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(S) Rounding out the air defense actions in which CINCPAC was involved during 1970 was a proposal to provide a second HAWK missile battalion to replace obsolete World War II 90mm guns on Taiwan. A second NIKE/HERCULES battalion had already been approved in 1969. Early in 1970, SECDEF had noted high level Washington interest in the improvement of the Taiwan air defense system. This followed the receipt of a letter by President Nixon from President Chiang Kai-shek, and a recommendation from U.S. Ambassador U. Alexis Johnson to presidential advisor Henry Kissinger. One of the Johnson proposals was that a second HAWK missile battalion be provided to the ROC. At that time (February 1970), U.S. Army requirements, projected through 1975, prohibited the offer of HAWK assets to China. The U.S. Army subsequently announced the possibility that some HAWK assets could be made available to FMS customers because of unit deactivations in FY 72.¹

(S) On 2 December 1970, CHMAAG China reaffirmed that there was a valid ROC need for additional HAWK assets. He pointed out that the FY 71 MAP reductions had increased ROC self-funding of its defense budget to about 98 percent. This amounted to over ten percent of its gross national product - more than any other country in that part of the world. He requested that a five-battery HAWK battalion be provided on a "no cost" basis.²

(S) On 12 December, CINCPAC conveyed his support of the CHMAAG request to SECDEF, but a reply had not been received by the end of 1970.³

Warships to China

(S) On 22 October 1969, the CNO advised CHMAAG China that three destroyers were available for transfer to the Chinese Navy (CN). The ROC had agreed to decommission 25 Cn vessels in exchange for the destroyers. On 24 December 1969, SECDEF informed the U.S. Ambassador, in a joint State/Defense message, that a fourth destroyer (USS HAYNESWORTH DD-700) was available for transfer to the CN. SECDEF requested the comments and recommendations of the Country Team (CT) regarding the numbers and types of ships to be decommissioned in exchange for the HAYNESWORTH and a fifth destroyer when it became available.⁴

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1. CINCPAC Command History 1969, Vol. II, pp. 109-111; Brief No. 004-70, J5, Hq CINCPAC, 5 Jan 70, Subj: Ambassador Johnson's Proposal on Upgrading the Air Defense System of the Republic of China; J5332 History, Hq CINCPAC, Dec 70.
 2. CHMAAG China MGPR 020101Z Dec 70.
 3. CINCPAC 122300Z Dec 70.
 4. CINCPAC Command History 1969, Vol. II, p. 106; J533 History, Hq CINCPAC, Feb 70; CNO 222125Z Oct 69; AMEMB Taipei 4694/190957Z Nov 69; SECDEF 06897/241522Z Dec 69.

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(S) On 14 January 1970, the U.S. Embassy advised SECSTATE that the CT agreed to the offer of the USS HAYNESWORTH, predicated upon the decommissioning of four CN vessels. The fifth destroyer, when available, was to be in exchange for the decommissioning of five more CN vessels. This was agreed to by SECDEF on 16 January 1970, and, on 21 January, the Embassy advised that the Commander-in-Chief of the CN had assented to the decommissioning of the specified number of CN vessels. However, he had also requested that the decommissioning be deferred for 24 months, instead of 12 months, after the arrival of the fourth destroyer in Taiwan. SECDEF and the CT concurred.¹

(C) Based upon an exchange of formal notes, authorized by SECSTATE, the sale of the USS HAYNESWORTH for the same price (\$225,000) as the first three destroyers was consummated on 7 May 1970. On 12 May, SECDEF informed the Embassy that a fifth destroyer, the USS ENGLISH (DD-696) was scheduled to be stricken from the Naval Register on 15 May. The ENGLISH could be made available to the CN for \$225,000 "as is-where is," provided the decommissioning agreement was confirmed.²

(S) The stipulation regarding decommissioning was not altered, and the sale of the USS ENGLISH to the CN was completed by the end of 1970.³

Submarines for China

(S) A request in July 1969 by the Chinese Government that submarines be made available under the FMS program was not supported by the DOD. The U.S. Embassy, COMUSTDC, CINCPACFLT, and CINCPAC had also agreed initially that the ROC did not need and could not support a submarine capability. MAAG China, however, supported the desirability of a sub-surface capability as a defense measure against potential CHICOM naval blockade, as an anti-submarine warfare (ASW) weapon, and to assist the CN in ASW training.⁴

(S) After a visit to Taiwan in the company of Deputy Defense Secretary David Packard, CINCPAC modified his original position in favor of the acquisition by the CN of two submarines, to be used for ASW training only. On 5 January 1970, SECDEF reiterated DOD opposition to the proposal, observing that the Chinese request for such high cost items as submarines was primarily motivated by the

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1. AMEMB Taipei 0217/140515Z Jan 70; SECDEF 8288/162303Z Jan 70; AMEMB Taipei 0343/210809Z Jan 70; SECDEF 8611/231500Z Jan 70.
 2. SECSTATE 053150/102054Z Apr 70; AMEMB Taipei 1974/060113Z May 70; CNO NO4920/081736Z May 70; AMEMB Taipei AIRGRAM A-172, 8 May 70; SECDEF 8615/121418Z May 70.
 3. Op. Cit., JMA, Hq USAF, No. 115, p. 109
 4. CINCPAC Command History 1969, Vol. II, pp. 102, 103.

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desires of the Chinese President, without adequate staff evaluation.¹

(S) One other means by which the ROC might have acquired submarines was through a loan authorized by the U.S. Congress, which legislated a Ship Loan Bill each year. During an executive session of the House Armed Services Committee on 4 February 1970, Chairman Mendel Rivers announced his intention to amend the 1970 Bill to provide a loan of three submarines to the ROC. The Bill was passed by the House, but the Senate deleted the submarines for China while passing the Bill on 5 December 1970. The House accepted the Senate version, and, on 31 December, the Bill was awaiting the signature of the President.²

Vehicle Coproduction Funding

(C) The original vehicle coproduction program specified the production of 18,352 M-series vehicles from FY 67 to FY 75. The total cost was programmed at \$80 million, with \$50 million to be provided by FMS credit in four phases at 5-1/2 percent interest:³

<u>Phase</u>	<u>FY</u>	
I	67	\$10 million
II	69	20 "
III	72	15 "
IV	75	5 "

(C) In July 1969, CHMAAG China requested that the funding of Phase IV for \$5 million be accelerated under continuing resolution authority (CRA). He also requested authority to fund a foundry which had initially been programmed in Phase II, but had not been funded. The U.S. Embassy and CINCPAC supported the CHMAAG request.⁴

(C) In October 1969, CHMAAG repeated his request to fund the \$5 million under CRA, but stated that the foundry requirement was no longer urgent. He noted that, although the ROC had paid a \$3.1 million debt to Continental Motors, the \$5 million was still urgently needed to procure vehicle engines in FY 70 and

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1. Ibid., pp. 107, 108; CINCPAC 222230Z Nov 69; SECDEF 7392/052117Z Jan 70; J5332 History, Hq CINCPAC, Dec 69.
 2. Point Paper, J5332, Hq CINCPAC, 29 Oct 70, Subj: Submarines for GRC; J5332 History, Hq CINCPAC, Dec 70; CNO NO4900/051419Z Dec 70; CNO NO4900/012047Z Jan 71.
 3. Point Paper, J5332, Hq CINCPAC, 12 Jan 70, Subj: GRC Vehicle Coproduction.
 4. Ibid.

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FY 71, and to procure additional 2-1/2 ton truck bodies. Unless the money was provided, the assembly plant would produce only about 640 vehicles in FY 71 compared with a capacity of 1,218. CINCPAC again concurred, but, on 6 November 1969, SECDEF advised that the justification was too weak for funding under CRA. The \$5 million vehicle requirement would be reviewed after FY 70 FMS dollar levels had been determined based upon eventual Congressional appropriations.¹

(E) On 23 January 1970, the Phase IV FMS credit was agreed upon by DOD and Chinese representatives in Washington.²

Helicopter Coproduction Program

(S) On 5 May 1969, the State Department and DOD jointly approved the allocation of \$4 million for the first phase of the UH-1H helicopter coproduction program. The FY 69 program was finalized by a Technical Assistance Agreement between the ROC and the Bell Helicopter Company. Phase I provided for the establishment of facilities and assembly of the first 10 UH-1Hs in Taiwan.³

(S) On 27 January 1970, representatives of the ROC and DOD signed a \$35 million FY 70 FMS credit program which, combined with the previous \$5 million for the vehicle coproduction program, made up the \$40 million authorized in the entire China FMS credit program. Included in the \$35 million credit was \$8 million for Phase II of the helicopter coproduction program.⁴

MAAG China Terms of Reference

(C) On 4 August 1969, CHMAAG China recommended to CINCPAC that consideration be given to a revision of the MAAG Terms of Reference (TOR). CHMAAG recommended five changes to the current TOR; of these, three were accommodations of previously approved changes in titles or functions. The remaining two were substantive changes. One would have allowed CHMAAG to designate the Chief, Combined Service Force (CSF) Section of the MAAG, regardless of the Service designation in the JTD. This change contradicted a JCS requirement that changes in "key positions" in the MAAGs be referred through the JCS to SECDEF for approval on a

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1. Ibid.; J5332 History, Hq CINCPAC, Dec 69; SECDEF 4087/061422Z Nov 69; CINCPAC Command History 1969, Vol. II, p. 93.
 2. SECDEF 8930/281814Z Jan 70; J5332 History, Hq CINCPAC, Jan 70.
 3. CINCPAC Command History 1969, Vol. II, pp. 81-88; Point Paper, J5332, Hq CINCPAC, 19 Jan 70, Subj: Helicopter Coproduction for GRC; Op. Cit., JMA, Hq USAF, No. 110, p. 100.
 4. J5332 History, Hq CINCPAC, Jan 70; SECDEF 8930/281814Z Jan 70; Point Paper, J5332, Hq CINCPAC, 29 Oct 70, Subj: Helicopter Coproduction for GRC.

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case by case basis upon rotation of the incumbent. The other change suggested would have given CHM/AG control over the scheduling of support aircraft assigned to the MAAG Service sections. Operational and scheduling control, under the current TOR, was retained by the Service to which the aircraft belonged.¹

(S) The proposed changes were passed to the component Service commands for comment. The Army and Navy components concurred, although the CINCUSARPAC message noted that no rationale had been provided for the requested changes. The Air Force did not concur in the two substantive changes discussed above. CINCPACAF, by letter, also noted that no rationale had been provided for the changes, but questioned the significance of the option for selection of the Chief, CSF Section, which was already designated on the JTD as an Army O6 (Colonel). Citing the authorized JTD manning of key billets; i.e., six Army, one Navy, and four Air Force, PACAF suggested that a more equitable service balance might be created by changing the billet in question from Army to Navy. Discussing the proposed scheduling control change, PACAF considered it inappropriate because there had been no reported deficiencies while scheduling control was administered by the Air Force section. Also, the expertise essential to flight safety, such as flight range, runway lengths, and crew requirements, was located in the Air Force section. PACAF concluded with the observation that the operation and maintenance of the MAAG support aircraft was funded 50 percent by MAP and 50 percent by the Service owning the aircraft. Mission hours for the (single) C-54 were closely controlled by the Air Force section and reported to the Military Airlift Command. The three minor changes proposed by CHMAAG were concurred in by PACAF.²

(C) On 26 February 1970, CINCPAC recommended to the JCS that the three editorial changes submitted by CHMAAG be included in the next revision to the MAAG China TOR. On the same day, CINCPAC notified CHMAAG that the two substantive changes were disapproved.³

Indonesia

(S) In the early portion of this chapter, the low key nature of MAP in Indonesia was clearly indicated in the discussion of MAP funds and manpower. High level interest in possible advantages to be derived from increased aid to

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1. Ltr, Hq MAAG China to CINCPAC, 4 Aug 69, Subj: MAAG Terms of Reference; J5312 History, Hq CINCPAC, Feb 70.
 2. CINCUSARPAC 270231Z Aug 69; Ltr, Ser 61/6685, CINCPACFLT to CINCPAC, 29 Aug 69, Subj: MAAG Terms of Reference (TOR); Ltr, Hq PACAF to CINCPAC, 2 Sep 69, Subj: MAAG Terms of Reference.
 3. CINCPAC 261030Z Feb 70; CINCPAC 261035Z Feb 70.

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